

**New Mexico
Public Employees Retirement Association
Governance Committee Meeting
July 12, 2022**

1. Call to Order

This meeting of the New Mexico PERA Governance Committee was held on the date cited above via Zoom tele/video conferencing. Chair, Claudia Armijo, called the meeting to order at approximately 9:00am.

2. Pledge of Allegiance

Francis Page led the Pledge.

3. Roll Call

The meeting attendance met quorum with the following members present;

Committee Members Present

Claudia Armijo, Committee Chair
Valerie Barela
Lawrence Davis
Paula Fisher
Francis Page
Diana Rosales Ortiz, Vice Chair

Committee Members Absent

Other Board Members Present

Loretta Naranjo Lopez
Shirley Ragin
Tim Eichenberg

Staff

Greg Trujillo, Executive Director
Trish Winter, Executive Assistant
Anna Williams, Deputy Director
Kristin Varela, Interim CIO
Misty Schoepner, Acting General Counsel
LeAnne Larranaga-Ruffy, Acting Deputy CIO
Lynette Kennard, CFO
Geraldine Garduno, Assistant General Counsel
Karyn Lujan, SmartSave Plan Manager
Michael Killfoil, Investments
Clayton Cleek, Investments
Kate Brassington, Investments
Sarah Hume, Investments
Justin Deubel, Investments

Others in Attendance

Rose Dean, Wilshire
Steve DiGirolamo, Wilshire
Rick Funston, Funston Advisory Services
Tom Cawkwell, Albourne
Heather Christopher, Albourne
Jeff Goldberger, Aksia
Laura Meck, Aksia
Ryan Fitzgerald, Albourne
Justin Deierling, Albourne
David Lebovitz, JP Morgan
James Sakelaris, JP Morgan
Ben Carlin, Journalist, With Intelligencde
Patricia French

4. Approval of Agenda

Paula Fisher moved to approve the Agenda. Valerie Barela seconded. The motion passed by a unanimous roll call vote as follows;

Claudia Armijo Yes
Valerie Barela Yes
Lawrence Davis Yes
Paula Fisher Yes
Francis Page Yes
Diana Rosales Ortiz Yes

5. Approval of April 12, 2022, Governance Committee Minutes

Francis Page moved to approve April 12, 2022, Governance Committee Minutes. Paula Fisher seconded. The motion passed by a unanimous roll call vote as follows;

Claudia Armijo Yes
Valerie Barela Yes
Lawrence Davis Yes
Paula Fisher Yes
Francis Page Yes
Diana Rosales Ortiz Yes

6. New Business

A. Approval of 2022 Governance Committee Charter

Executive Director, Greg Trujillo, reminded the Committee that they had attempted approval of the Charter at the April meeting, but there had been some questions that prevented approval. He stated the information was provided on how the Committee came to be and what it was tasked. He explained that the Committee was a direct result of a governance audit that was done by the internal auditors in 2020.

A revised Committee Charter had been sent to the Committee members several weeks back and their feedback collected. Feedback had also been solicited from members of the full Board and inserted into the Charter.

Mr. Trujillo stated that the governance audit had identified that even though the board has several committees, there was no committee charged with true governance. The Charter thus outlines the process of evaluation of the Executive Director and tasks the Governance Committee with overseeing the Board Policies and Procedures.

Mr. Davis asked if the Committee would be guiding the process of evaluation of the Executive Director and compiling the Board's self-assessment results and reporting to the full Board. Chair Armijo responded in the affirmative.

Mr. Davis clarified that as per previous concerns, the Committee would not be taking the task of evaluating the executive director from the full Board. They would only be leading the process of compiling the information.

Diana Rosales Ortiz moved to approve the Governance Committee Charter. Francis Page seconded. The motion passed by a unanimous roll call vote as follows;

Claudia Armijo	Yes
Valerie Barela	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Francis Page	Yes
Diana Rosales Ortiz	Yes

Chair Armijo thanked the Committee members for their input on the Charter.

B. Approval of the Strategic Plan

Mr. Rick Funston, from Funston Advisory Services, kicked off by congratulating the Committee members for the work they put in setting the direction for the Strategic Plan.

He presented a visual framework and stated that the Strategic Plan was meant to deal with the 21st Century uncertainties and accomplish the Fund's mission which is enabled and constrained by its legislation. This includes the Board of Trustees which oversees the vital functions and fiduciary duties.

Mr. Funston stated that the Board has five powers it can exercise;

- a) Conduct its business.
- b) Set the direction and delegate its execution.
- c) Approve certain key decisions.
- d) Oversee the execution of the direction within policy.
- e) Verify that the information received and reported to others is reliable.

The Board used its executive staff to deploy or implement the direction. It also has independent advice available to report on progress.

As far as the mission statement, Mr. Funston stated that the Board had proposed making the existing mission shorter, easier to understand, and have some guiding principles to go along with it.

Mr. Trujillo explained that the Board had engaged Funston Advisory services in the beginning of the year to assist with the strategic planning process. He indicated that the last strategic planning had been done in 2005, according to records. He further added that once the process is approved, resources and timelines will be allocated to move the process forward.

Mr. Funston stated that during the strategic planning surveys, the Board had identified several strengths, opportunities, vulnerabilities, and threats, which led to the development of key strategic goals and objectives. Five major goal areas had been identified. Each had a series of objectives intended to address the strengths, weaknesses, opportunities, and threats. The objectives will each have an outline of the strategy, the degree of difficulty, who's supposed to do it, the resources required, the plan, and the current status.

Once the Board approves the direction, it will oversee that that direction is executed within policy and the timeframe and budgets required. Executive staff will be required to present regular reports to the Board on the progress.

Mr. Trujillo requested the Governance Committee approve the Strategic Plan and recommend it to the full Board. This would then be on the Board agenda for approval at the July 28, 2022 board meeting.

Mr. Page asked if the next step would be to develop performance measures that will ensure that the objectives are being followed. Mr. Trujillo answered in the affirmative, adding that once the Plan is approved, staff will start developing budgets, resources, and metrics, and report back to the Committee with a monitoring process to recommend to the Board. Progress reports will be made quarterly or biannually.

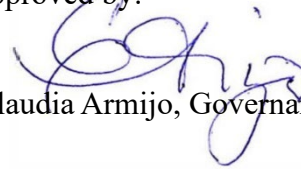
Francis Page moved to approve the Strategic Plan and present it to the full Board at the July Board retreat. Paula Fisher seconded. The motion passed by a unanimous roll call vote as follows;

Claudia Armijo	Yes
Valerie Barela	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Francis Page	Yes
Diana Rosales Ortiz	Yes

7. Adjournment

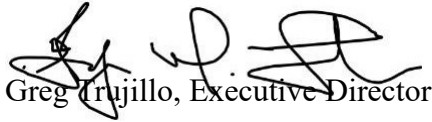
With no further business to discuss, Chair Armijo adjourned the meeting at approximately 9:23am.

Approved by:



Claudia Armijo, Governance Committee Chair

ATTEST:



Greg Trujillo, Executive Director